Committee for Medicaid Reform

Briefing on Medicaid Administration and Funding

March 15, 2005

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Common Administrative Functions and Metrics

Common Administrative Functions

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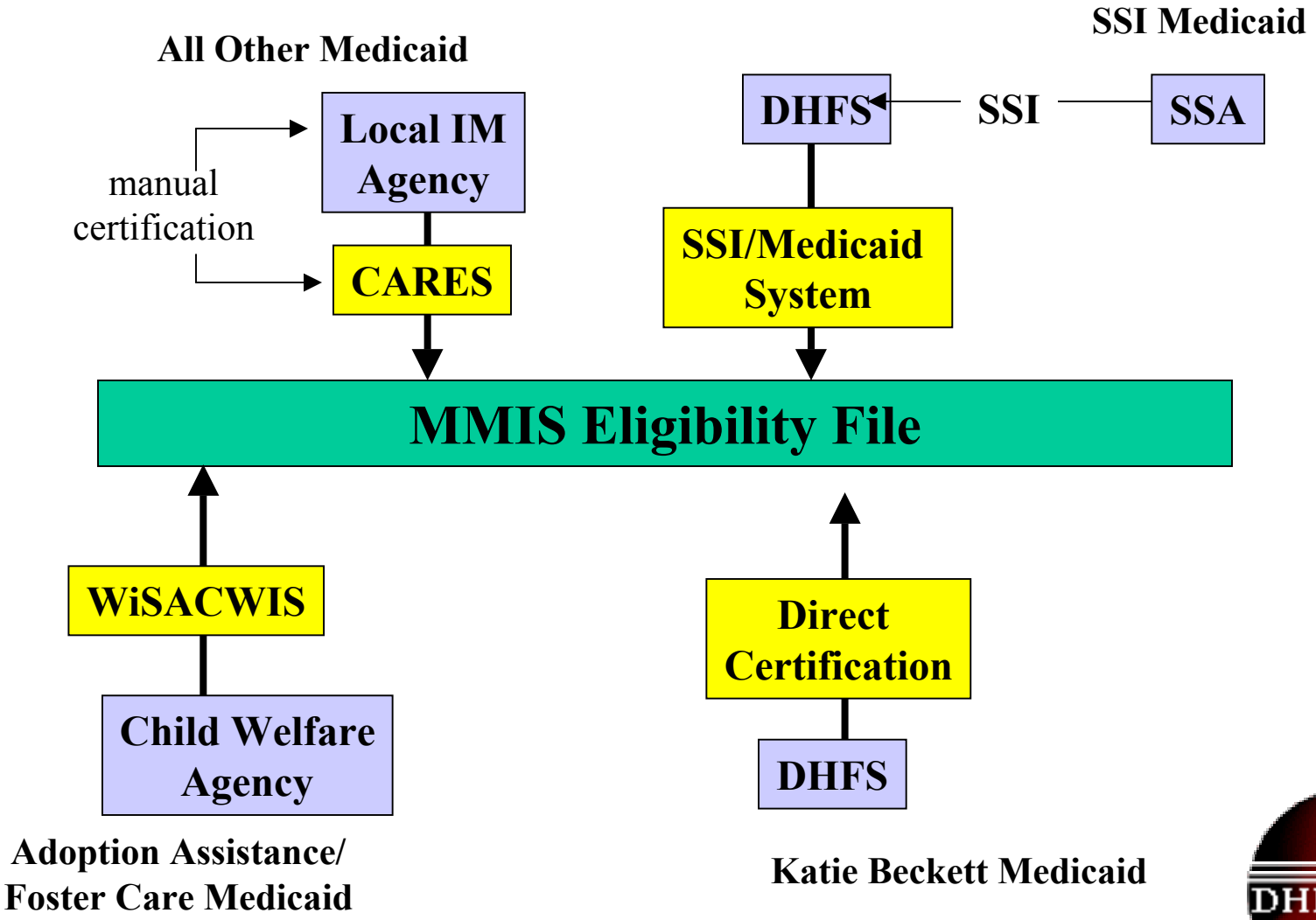
Medicaid Enrollment

- Eligible recipients are entered into the Medicaid Management Information System (MMIS) eligibility files and sent a recipient identification card.
- SSI recipients are automatically added to the Medicaid eligibility file on the MMIS through the DHFS SSI/Medicaid system.
- Foster care and adoption assistance recipients are added to the eligibility file through the DHFS child welfare system, WiSACWIS.
- Katie Beckett recipients are added by DHFS staff directly to the MMIS.
- Most other Medicaid eligibility is determine by county/tribal income maintenance agencies using the CARES system. CARES sends the eligibility records to the MMIS.
- Records are also manually certified and entered for programs that are not automated.
- Recipient eligibility is verified using the MMIS eligibility files.

Medicaid Enrollment



Claims Processing

The processing of claims includes:

- Inbound claims logistics - receipt and registration of paper and electronic claims
- Claims adjudication - processing, review, approval, denial, suspension using automatic and manual edits and audits,
- Outbound claims logistics - provider payment and recovery, remittance advice

Function	**Annual (CY 03)**
Claims processing volume	33 million
Average processing time	3-4 days

Customer Service

Customer Service involves:

- Responding to written and telephone inquiries from providers and recipients.
- Communicating with providers and recipients through publications and web site content.

Customer Service Call Volumes	**Annual (CY 03)**
Recipient Services	420,000
SeniorCare	97,000
Provider Services	248,000
Eligibility Verification	292,000
Automated Voice Response	1,238,000
Pharmacy Customer Service	115,000

Provider Network Development

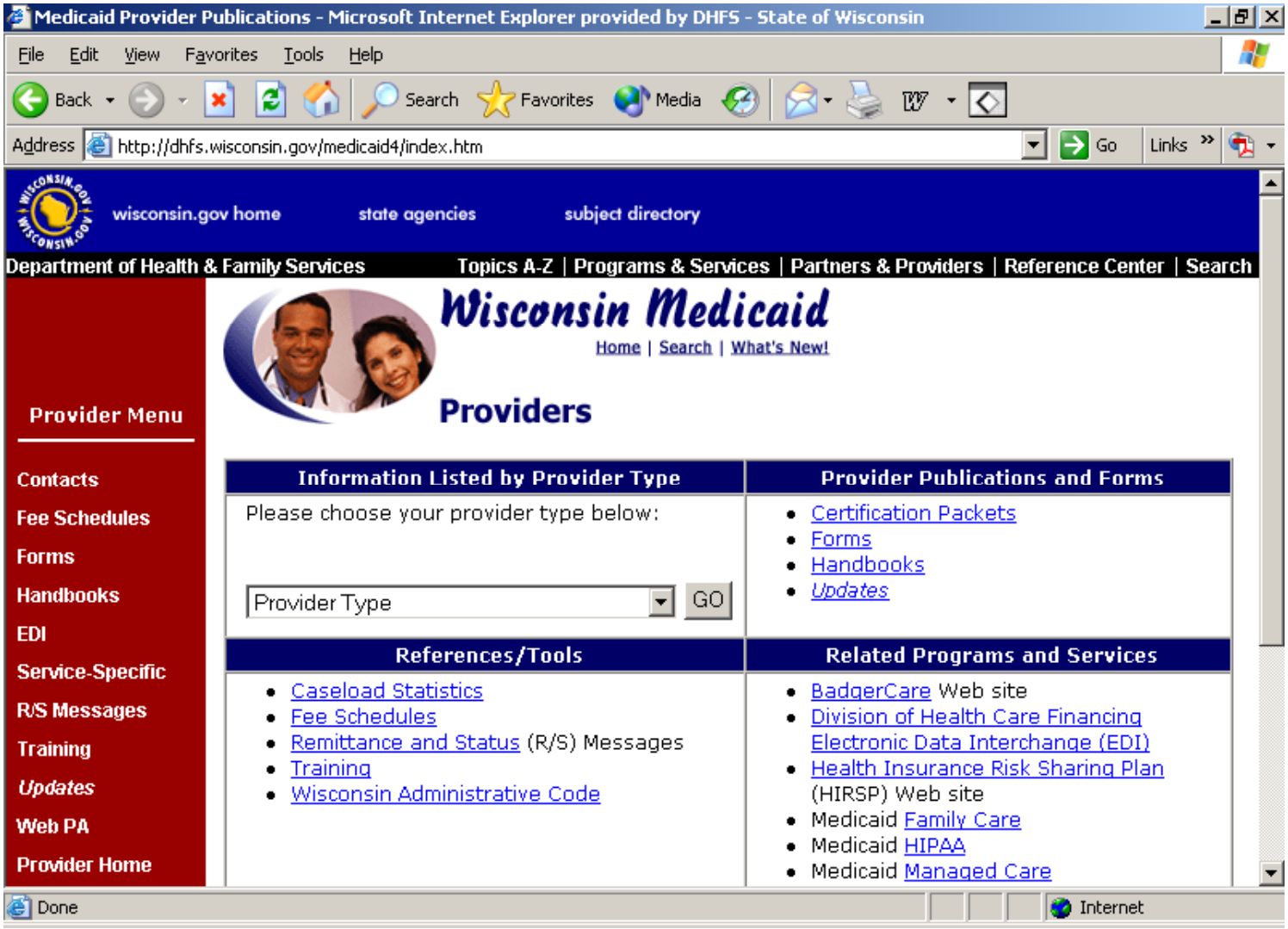
- DHFS encourages providers to participate in the Medicaid program, particularly public providers. Focus groups include:
  - Managed Care Organizations,
  - County mental health and case management,
  - Schools, and
  - County public health agencies.
- Certified provider and managed care plan information is maintained in the MMIS.

Provider Oversight

- Providers must be certified by DHFS to participate in the Medicaid program.
- Provider certification standards are promulgated in administrative rules.
- HMOs must be certified for adequacy of provider networks, grievance and appeal processes and quality improvement programs.
- After an initial review, certification applications that are questionable or sensitive are sent for further review by the financial and medical audit sections.
- The approval process may include on-site, pre-certification reviews of providers of services identified as vulnerable to fraud.

Provider Oversight

- New and revised policies are communicated to providers in the monthly Medicaid and BadgerCare updates.
- Updates are reviewed by provider associations prior to publication for insight on how changes will affect individual providers.
- Most service areas also have a service-specific handbook.
- Handbooks are issued to providers on an interactive CD, but are also available on paper.
- All provider handbooks and updates are also available on the Medicaid provider web site, which is a comprehensive resource for current and past policies and reference materials.


Medicaid Provider Publications - Microsoft Internet Explorer provided by DHFS - State of Wisconsin
File Edit View Favorites Tools Help
Back Search Favorites Media
Address http://dhfs.wisconsin.gov/medicaid4/index.htm
Go Links
wisconsin.gov home
state agencies
subject directory
Department of Health & Family Services
Topics A-Z | Programs & Services | Partners & Providers | Reference Center | Search
Wisconsin Medicaid
Home | Search | What's New!
Providers
Provider Menu
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Forms
Handbooks
EDI
Service-Specific
R/S Messages
Training
Updates
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Provider Home
Information Listed by Provider Type
Please choose your provider type below:
Provider Type
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Provider Publications and Forms
Certification Packets
Forms
Handbooks
Updates
References/Tools
Caseload Statistics
Fee Schedules
Remittance and Status (R/S) Messages
Training
Wisconsin Administrative Code
Related Programs and Services
BadgerCare Web site
Division of Health Care Financing Electronic Data Interchange (EDI)
Health Insurance Risk Sharing Plan (HIRSP) Web site
Medicaid Family Care
Medicaid HIPAA
Medicaid Managed Care
Done
Internet

Third Party Liability

Medicaid coordinates for the payment of services with health insurers, Medicare and other entities. Medicaid costs are reduced through the coordination of benefits, cost avoidance, and payment of Medicare premiums.

Program	**SFY 2004**
▪ Estate Recovery	$17 million
▪ Casualty/Subrogation	$4 million
▪ Cost Avoidance - Private Insurance	$378 million
▪ Cost Avoidance - Medicare	$480 million
▪ Post payment billing/collection (from insurers/providers)	$24.7 million

Service Pricing

- Payment rates for each service and for different types of providers are calculated on a regular basis using various methodologies, including cost reporting, price indexing and Medicare methodologies.
- Fee-for-service claims payments are calculated based on the specific provider and provider type, recipient and date of service, including calculation of appropriate cost sharing and copays.
- Managed care capitation payment rates are set to save money relative to fee-for-service rates and must be "actuarially sound".

Coverage Policy

- Medicaid coverage of medical procedures, products and services is reviewed and amended as needed to keep up with changes in technology and standards of practice.
- These policy changes are translated into provider and recipient educational programs and claims edits, audits and review processes to ensure appropriate payment.
- Medicaid coverage policies are reviewed and modified to coordinate with changes to other health care plans, such as Medicare.

Program Integrity

- Extensive pre- and post-payment review of charges and service utilization occurs, including claims edits and audits, manual reviews, prior authorization processes, and surveillance and utilization reviews (SURS).
- DHFS contracts with a federally-designated external quality review organization (EQRO) to provide reviews of health care provided to recipients. These health care reviews are designed to identify and eliminate unreasonable, unnecessary or inappropriate care provided to Medicaid recipients and promote completeness, adequacy and quality of services.

Program Integrity

Function	**Annual (CY 03)**
Prior authorization volume	190,000
Prior authorization amendments	45,000
STAT-prior authorization volume	179,000
Average processing time	3-4 days
	100% processed w/in 20 days

Data Processing and Analysis

- In order to conduct appropriate analysis and review of Medicaid utilization, an extensive and sophisticated data warehouse is maintained and updated.
- In addition to retaining and adding claims, recipient and provider-specific data, the warehouse creates a wide variety standard reports and allows for the ad hoc creation of custom reports on almost any combination of data elements.

Financial Reporting and Control

- In SFY 2005, the statewide Medicaid program will fund nearly $5 billion of costs for services to recipients and administration.
- Medicaid collects revenue through various processes, including rate settlements, refunds, collections, pharmaceutical rebates and recipient premiums.
- Medicaid also calculates and pays premiums for other health care coverage, both Medicare and private.
- The Medicaid information systems and administrative processes must provide detailed documentation on every single transaction and at every level of the program that is sufficient and acceptable to providers, recipients and state and federal oversight agencies.

Product Development and Implementation

- In addition to the day-to-day management and oversight of existing Medicaid benefits and programs, DHFS designs and implements new and often innovative programs.
- The creation and implementation of new benefits and programs requires coordination with providers and recipients and the approval and support of state and federal government agencies.

Recently Implemented Programs

- BadgerCare
- SeniorCare
- Family Care
- PACE
- Partnership
- Children's Long-Term Care Waivers
- SSI Managed Care
- MAPP
- Foster Care Managed Care
- Family Planning Waiver